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Programme budget for the biennium 2014-2015

Updated information on final expenditure for associated costs for the period from 2008 to 2013

Report of the Secretary-General

Summary

The present addendum is submitted pursuant to General Assembly resolution 68/247, section IV, paragraph 20, wherein the Secretary-General was requested to submit to the Assembly, at the first part of its resumed sixty-eighth session, the final expenditure for associated costs for the period from 2008 to 2013. Furthermore, it will be recalled that the Assembly endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/68/551, para. 62) to consider the financing of the associated costs at the first resumed session in 2014.

The Secretary-General provides an update on developments since the issuance of the eleventh annual progress report on the implementation of the capital master plan and addendum 1 thereto (A/68/352 and Add.1), and in this regard reports that expenditure for associated costs for the period from 2008 to 2013 stands at $140,253,300 as at 10 February 2014.

The costs of activities associated with the capital master plan ("associated costs"), as well as the cost of the secondary data centre ($15.0 million), were not included in the original scope of the capital master plan. As approved by the General Assembly, these costs have been incurred and borne by the cash funds of the capital master plan project since 2008.

The Secretary-General reiterates that these costs cannot be absorbed within the approved budget of the capital master plan. A decision on the financing of cumulative associated costs and the cost of the secondary data centre is required, since without the replenishment of the cash resources, the project will not be able to proceed to completion in 2014.

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I. Introduction

1. The Secretary-General reported to the General Assembly (see A/68/352/Add.1, table 1) that the cumulative cost of activities associated with the capital master plan for the period from 2008 to 2013 would amount to $141,408,600. This calculation was based on actual expenditure to the end of June 2013 together with estimated costs for the remaining six months of the year 2013.

2. In its report (A/68/551, para. 62), the Advisory Committee on Administrative and Budgetary Questions recommended, given that expenditure would continue to be incurred until the end of 2013 and final expenditure related to the associated costs could not be fully ascertained at that stage, that the General Assembly consider the financing of the associated costs at the first resumed session in 2014. The Assembly endorsed the recommendation and, in this regard, further requested the Secretary-General to submit to it, at the first part of its resumed sixty-eighth session, the final expenditure for associated costs for the period from 2008-2013 (resolution 68/247, sect. IV, para. 20).

II. Status of final expenditures for the period from 2008 to 2013

3. The stated reporting period for associated costs ended on 31 December 2013. All departments and offices have ceased activities related to the capital master plan project, with the exception of the Office of Central Support Services, which, because of delays in the schedule of the capital master plan largely owing to storm Sandy, will need to undertake handover activities in 2014, which were previously planned for 2013. The cost of these activities (approximately $179,500 for one general temporary assistance position at the P-4 level for nine months) had been included in previous estimates for 2013. Consequently it does not represent an increase in the overall costs, but simply a deferral of the activities to 2014.

4. While the activities associated with the capital master plan have concluded (aside from the foregoing exception), the financial period end closing of accounts and records is still under way and will continue through March 2014, which means that records of expenditure are still being reconciled.

5. In addition to the usual financial period end closing of accounts and records being performed, it should be noted that at the end of 2013, a number of general temporary assistance positions in support of the capital master plan ceased to be funded. The residual contract payments, including separation payments (where applicable), will need to be finalized for those staff not remaining with the Organization, for which an amount of $314,000 has been retained.

6. Allowing for the above-mentioned factors, the Secretary-General can report that cumulative expenditure for the period from 2008 to 2013, as at 10 February 2014, stands at $140,253,300. This can be summarized as follows:

- Expenditure of $143,351,100, comprising disbursements of $127,478,200 and obligations (commitments) of $15,379,400 and provision for pending expenditures yet to be booked of $493,500; *less*
- Cancelled (liquidated) obligations from prior periods of $3,097,800.

7. Cancelled obligations represent commitments that were entered into with third-party contractors in previous years, which have subsequently been released or reduced with no disbursement arising on the part of the Organization in cases where actual cost of works completed were lower than values applied at a contract award stage. Of the amount of $3,097,800 indicated above, $2,406,700 relates to agreements with contractors for the commissioning of the permanent broadcast facility and media asset management system, $482,600 relates to office furniture contracts, and the balance relates to numerous smaller amounts across all offices and departments ($208,500). As the public broadcast facility and media asset management system contracts are administered as guaranteed maximum price contracts, the released commitments from prior periods have been reprogrammed, during 2013, into commitments for continuing works and activities.

8. Based on the above analysis, the final expenditures for associated costs are $140,253,300 as compared to the previously reported $141,408,600, which represents a decrease in the amount of $1,155,300.

9. Final expenditure for associated costs, as currently recorded, is presented in tables 1 to 3 below, analysed by year and by department and office. The excess of final expenditure in 2013 by the Office of the Capital Master Plan is a result of commitments released for a portion of guaranteed maximum price contracts completed in the Conference Building and recommitted for activities in the General Assembly Building that will continue until its completion.

Table 1
Chronology of associated cost requirements, 2008-2013
(United States dollars)

Period	*General Assembly resolution*	*Amount approved by the General Assembly*	*Per A/68/352/Add.1 expenditure*	*Expenditure*
2008-2009	63/270	30 272 400	18 373 200	18 373 200
2010	64/228	42 069 695	13 636 800	13 636 800
2011	65/269	58 871 305	61 499 000	61 499 000
2012	66/258	8 259 100	18 950 300	18 950 300
2013	67/246	3 666 100	28 949 300	30 891 800
Total		**143 138 600**	**141 408 600**	**143 351 100**
Less cancelled prior-period obligations				**(3 097 800)**
Net total				**140 253 300**

Table 2

Summary of associated cost requirements, by department and office

(Thousands of United States dollars)

Department office	*Actual expenditure 2008-2011* (a)	*Actual expenditure 2012* (b)	*Per A/68/352/Add.1 projected 2013* (c)	*Expenditure 2013* (d)	*Total 2008-2013* (e) = (a) + (b) + (d)
Department for General Assembly and Conference Management	2 272.9	638.2	–	–	2 911.1
Department of Public Information	25 772.0	287.1	–	(2.0)	26 057.1
Office of Central Support Services	21 108.6	3 746.4	3 549.9	3 549.9[a]	28 404.9
Office of the Capital Master Plan	18 146.2	7 784.6	22 208.5	24 064.6	49 995.4
Office of Information and Communications Technology	2 035.5	626.8	–	4.6	2 666.9
Construction (Office of Information and Communications Technology)	5 446.9	81.4	581.5	665.3	6 193.6
Department of Safety and Security	18 726.9	5 785.8	2 609.4	2 609.4[b]	27 122.1
Total	**93 509.0**	**18 950.3**	**28 949.3**	**30 891.8**	**143 351.1**
Less prior-period obligations released	**(3 097.8)**				**(3 097.8)**
Net total	**90 411.2**				**140 253.3**

[a] Includes general temporary assistance in the amount of $179,500 for 2014 (see paragraph 3 above).

[b] Includes amount of $314,000 for pending separation payments, etc., to be booked (see paragraph 5 above).

Table 3

Variance analysis for 2013 estimated costs, by department and office

(Thousands of United States dollars)

Department office	*Per A/68/352/Add.1 projected 2013* (a)	*Expenditure 2013* (b)	*Variance (over) under expenditure 2013* (c) = (a)-(b)
Department for General Assembly and Conference Management	–	–	–
Department of Public Information	–	(2.0)	2.0
Office of Central Support Services	3 549.9	3 549.9	–
Office of the Capital Master Plan	22 208.5	24 064.6	(1 856.1)

Department office	*Per A/68/352/Add.1 projected 2013* (a)	*Expenditure 2013* (b)	*Variance (over) under expenditure 2013* (c) = (a)-(b)
Office of Information and Communications Technology	–	4.6	(4.6)
Construction (Office of Information and Communications Technology)	581.5	665.3	(83.8)
Department of Safety and Security	2 609.4	2 609.4	–
Total	**28 949.3**	**30 891.8**	**(1 942.5)**

III. Actions to be taken by the General Assembly

10. The actions to be taken by the General Assembly are contained in section VII of addendum 2 to the eleventh annual progress report on the implementation of the capital master plan (A/68/352/Add.2).